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ABSTRACT

This futurist keynote speech of the National Conference for Outdoor Leaders addresses the social, technological, economic, and political forces that are restructuring the world. The concept of geostrategic thinking has the components of global thinking, futuristic thinking, and seeking opportunities. Important developments include: (1) wealth will come from improved efficiency and productivity; (2) an aging society will mean changes in types of recreation pursued; (3) a common market in North America consisting of free trade with Canada and Mexico will develop further; (4) a shift in manufacturing will be caused by the availability of cheap labor in Mexico; (5) industries will increasingly address the needs of women; (6) a "super sexual" attitude, where people use differences between the sexes to transcend gender, will evolve; (7) education will need to reinvent itself; (8) transcultural skills will be necessary to live in the global village; (8) businesses and organizations must be high-tech; (9) an emphasis on pleasing the customer will emerge; (10) increasing networks allow real-time market research information; (11) the Forest Service should set the agenda for environmental issues through education; (12) an economic mini-depression will end by 1993; (13) leisure and tourism will be a huge industry by the year 2000; (14) ethics will be a priority in the nineties; and (15) political reform will come throughout the political system. (KS)

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THE FORCES RESTRUCTURING OUR FUTURE AND OUTDOOR RECREATION

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Transcription of Keynote Speech

By

Frank Feather

U.S. DEPARTMENT OF EDUCATION
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Editors' note: This is from a transcription of Mr. Feather's presentation.

Introduction by Maurice Phipps, Conference Director:

Frank Feather is a business consultant, with an international roster of clients, including Fortune 500 Companies, the United Nations, the governments of Canada, the United States, Mexico and China. He worked as a strategic planner with international banks for twenty years and served as the Chairman of the First Global Conference on the Future, held in Toronto, held in 1980. Mr. Feather has written on future trends and economic trades, technology, and education. At the moment he lives in Toronto. But he's a Yorkshire man, and I used to live in Yorkshire for many years so I'm really pleased to have invited Frank to speak. This is Frank's book, it's the *G Forces: Re-inventing the World--the 35 Global Forces Restructuring Our Future*. I'd like to welcome Frank here for the keynote address. Thank you.

Frank Feather:

Thank you very much. I'm glad we finally got underway. We shouldn't penalize those who came on time, for those who are late, for the future. All right? I'm sorry you have to put up with this English accent again. People who come from Yorkshire are not suppose to know how to talk proper--as you might find out in the next several minutes--especially if you come from the South of England. That's what people think. It's sort of the reverse of what happens in the United States. The ones in the North think that the Southerners don't talk proper, only in England it's the opposite way around.

I was actually born two miles from Wuthering Heights. If you've heard of Wuthering Heights. There is actually a Wuthering Heights, it's not called that, it's called Pop Wiggin, which is now a collapsed farm house upon the moors. Coming to Gunnison kind of reminded me of home. Not that it's bleak and in the wilderness, because I have a great attachment for rolling hills and mountains and so on. I wish it was a little bit more green, but apart from that it's great.

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I had a nice trip out. I was down to the canyon this afternoon and really enjoyed that. You had some rain yesterday, but the sun came out and we had two gorgeous rainbows. Probably the biggest rainbows I've ever seen in my life. That was quite a spectacular thing, so I'm sure I'm going to remember that.

Tonight what I want to do is, well, I should tell you my Margaret Thatcher joke. By the way Maurice showed you the book, that was the Canadian edition, this is the American edition. So, if you look for it the bookstores, this is what it will look like. See, Americans do things much more brightly than the Canadians do, as you can tell from the book jacket, but inside it's exactly the same. I've had the audacity to write this book about the future of the world in 400 pages and to say what the future of the world will be over the next sixty years in 400 pages. That's a little preposterous and that leads me to my Margaret Thatcher joke, believe it or not. She is preposterous, but that's not the joke. The Yorkshire folk don't know how to use the language properly and very often don't know what certain words mean, or how to construct sentences properly, and so on. In any event, this Yorkshire man went along and listened to a speech that Margaret Thatcher was giving, which is very unusual for a Yorkshire man to even bother to do, because they don't have much respect for Mrs. Thatcher up in Yorkshire these days. After the speech he was genuinely impressed by what she had to say. He said, "Mrs. Thatcher that was a wondrously preposterous speech." Of course he didn't realize what he had said, but she realized he didn't know what he had said, and she was unruffled and said, "Thank you very much. I'm planning on having it published posthumously." Now he didn't know what that meant either, but he said, "Oh good, I hope it happens soon." So, that's where preposterous comes in. It's a little preposterous to write a book about the future of the world in 400 pages and then come here and try and tell you about it in 40 minutes or whatever.

I was recently at a conference with Ken Blanchard who is the inventor of the concept of the One Minute Manager. He took 50 minutes to explain what he meant. That's the nature of the world that we're involved in these days, these are very complex and while we might try to simplify things, we can nevertheless fail to overcome the complexity.

I've got a number of slides I want to show you that will hopefully reinforce some of the things I want to talk about. What I am going to do is use the same framework as the book. The book is divided into four sections: social, technological, economic, and political change. This is what I call the Four Step Process, just like school: social, technological, economic, and political, spells STEP. If you get them mixed up, it can be a bit of a pest. The world is a confusing place. So, I'm going to talk to you about trends under these four headings: social, technological, economic, and political.

I have a difficult time hitting Colorado this year because, you know, my friendly competitor, John Nesbitt, lives here and what he says is it's the most beautiful place in the world, which I would dispute. Nevertheless, if anyone has ever been to Banff, they'll lay Banff against Telluride. Anybody been to Banff? Now, what do you think, is Banff better than Telluride or not? Oh dear, I lost out, hometown crowd again. Anyway, John's book

only has ten trends in it, and he only looks at the next ten years. I've got 35 trends, and I look at the next sixty years. You get more trends, better quality, more information, and it's a lower price. It's a good, real Yorkshire deal for cheap Yorkshire folk.

(Slides come on screen)

This is where we live, the world in which we're living and in which we all find ourselves. It's a world that is literally being turned upside down by massive global forces of change. We cannot understand what's happening here in this town, in this state, in this country unless we understand what's happening in the world. Every nation today is a province of the world, and we have to try to understand these social, technological, economic, and political forces that are restructuring that world--turning it upside down, inside out, backwards, almost into a picture that we do not recognize. You probably have trouble recognizing that map of the world upside down. Ever since school we've been told that's not the way the world looks. Now who decided which way up the world should look? It's very interesting actually. If you study the history of map making you'll find that the map makers of the world always put themselves at the top and in the middle. We're presently using a map of the world that which was developed by European map makers about 400 years ago. In other words, it's 400 years out of date. The European map makers of the world put labels on things, like North, South, East, and West. For example we call the Far East, the Far East, but particularly if you live in the western side of the North America, the Far East is actually our Near West. So it depends what you name things in terms of names dependent on your perspective towards it. Yet, we're constantly fed information about the world which is, essentially, incorrect. In fact, the Mercator map projections, which are probably on campus here in profusion, distort the size of the land masses tremendously. The Northerners who developed these maps also put the equator, if you notice, about two thirds of the way down the page, which thereby enlarges the size of the Northern continents. That's the way we all think the world looks. We read newspapers and listen to news everyday, and we label things and we're told this is the way the world is. A communist is a communist. A China is Red China, etc., etc. We know so preciously little about the world and what's going on. We've also been constantly fed, because of the news media in particular, today in the information age. We've not just todays' news, but in fact yesterdays' news. This creates a tremendous short-term focus of what is really going on. The most important thing to know is whether the stock market went up today, or not: what the leading indicator did today. It went down, by the way, 1.2 percent in August. That's irrelevant. It doesn't matter outside of the long-term context of things.

Another preposterous statement that was made to me about twenty-one years ago was this: only the future is manageable. The way it was explained was this: the past is not manageable, we've had our kick at the can. We've had our chance at managing the past. Ok, fine. I'll buy that. It doesn't mean to say that the past is not important, of course, it is. What happened yesterday, a week ago, a year ago, a decade ago still influences today and the future. In terms of management, we can't do anything about the past other than by making a new decision either today, tomorrow, next week, next year, next decade. So then,

ok, ok, what about the present? Well, the argument was the present does not exist. The present is simply a fleeting microsecond of time as we constantly move from the past to the future. We're on a continuum constantly moving into the future. Everything that I have said, everything that you have done up until now, is, in fact, history. Therefore in a managerial sense all that can be managed is the future. That poses a problem because we don't know what the future holds. Management is about managing what hasn't happened yet, and we, therefore, have to figure out what is likely to happen and what we are likely to cause to happen if we're to stand any chance at all of managing successfully the future. That's why I became a futurist. Mark Twain had a very simple answer. He said, "I'm interested in the future because I'm going to spend the rest of my life there." Why not? Tomorrow is the first day of the rest of our lives. So, you have to start looking at the world in different ways, and that's some of what I want to present to you tonight.

Some of the slides I'm showing you here were developed for a corporate audience and for a government audience. Please try to look beyond that and look for the message that's implicit for you. The corporation, IBM, is no different from a small nonprofit organization run by two or three people. Is anyone here from IBM, by the way? My apologies, but IBM is not the big corporation it thinks it is. IBM is a big bureaucratic organization just as bad as any government department in Washington or Peking or Moscow. It's struggling with how to get itself into the future: same with the automobile industry. Yet, we talk about leading edge organization and organizations of excellence. The only organizations of excellence are those who make an attempt to figure out what the future holds and get into that future and position themselves into that future. They're the ones that, according to jet pilots, push the envelope, push the limits, as far as they can be pushed without totally blowing itself up. The only way you can do that is by being global in the way you think and approach things, being futuristic, and trying to anticipate where all these trends are heading. Then, not just being overwhelmed by all the problems that we have, but saying, ok, where are all the opportunities that are presented by these changes?

The newspapers always give us the bad news. Bad news about everything. Very rarely do they ever give us the good news because it's the bad news that sells newspapers. It's the bad news that makes you watch the news. There's a lot of good news in the world. Now, I'm not a blind optimist like John Nesbitt--he says that in his book, by the way. We have the same publisher and same agent, so, this is only friendly jiving. Being in the banking business for twenty years made me a pragmatist. When people ask me if I'm an optimist or a pessimist, I say, well, neither really. I believe that optimism is the only real philosophy. You also have to be pragmatic and realistic and recognize what is going on. As well as looking at the problems, let's look at the opportunities.

Geostrategic thinking: The only people who talk about this are people like Brazinski because he's applied a concept to geopolitics and geostrategy. It applies in our everyday lives. Geostrategic thinking has three components: global thinking, futuristic thinking, and looking at where the opportunities are, and out of that fall the new ways of doing things.

Global thinking: In the micro and macro sense, global thinking in the big picture sense, in the multidisciplinary sense, in the geographic global planetary sense. And the microthinking in terms of what's happening in the microaspects of science as well as the microaspects of science.

Futuristic thinking: Long-term forces cause impacted forces, unexpected events. Many unexpected events are not really unexpected if you see what's going on if you look for the tips of the icebergs which keep surfacing from time to time. And the task of the futurist and the manager and the planner is to constantly try to reconstruct this jigsaw of the future reality which is what we have to manage. It's going to dictate what our future is going to be.

One of the opportunities that comes out of that, then, where is the leadership that said: "Ok, here is the opportunity, here is the vision, here is the direction in which we must go"? There's a tremendous vacuum of leadership in the world. Who is the number one leader in the world today? Who? Gorbachev? Anybody else? Bush? Any serious replies? Now, George is not bad. The number one geostrategic leader in the world today is Mikel Gorbachev, and you know what? That's dangerous. I'll get to it maybe later or in the question period. I cannot believe how liberal America is jumping on the Gorby bandwagon. We're all being sucked in. Sucked in because he's the only one who understands, in a geostrategic sense, how the world is changing and how to take advantage of that--how to become the predominant player in the new global order which is emerging. That's why Moscow's doing what it's doing. I'll get to that later.

Macro, micro. Future perspective. Social technological, economic, and political creates new opportunities to do things: whether you're in business, whether you're nonprofit, whether you're private, whether you're public, or even in your own lives as a student, someone running a family, or whatever you're doing. Thirty five global forces that are really changing the world in a dramatic way in a four step process.

I put social first for a very particular reason. Nothing changes in this world unless we the people decide it's going to change--outside of acts of God. Now it's often thought that, well, there's somebody out there creating technology, and it is sort of imposed on us. Well, yes there is. There are human beings out there creating technology. They're creating technology to meet needs which you and I have. It's somebody's mess: they're all arguing about it in Washington in terms of whose fault it is. It's our fault. We put them there to spend this money; we insisted upon them spending this money. We're the ones who decide whether we're going to get into debt or whether we're going to save money. We're the ones who create economic conditions.

Environment. Somebody's screwing up the environment. Yes, we are. We're also the ones that are going to clean it up.

Politicians are the ones to blame. Yes, but we're the ones who put them there and we're going to vote them out of office too. All the changes in the world come down to people. People invent technology to meet human needs and aspirations. Humanity has succeeded magnificently at putting itself out of work with technology. But we're not ready to accept it yet. So, what we're creating, in fact, is a huge leisure economy that will be phenomenal in size and scope over the next half a century and beyond. I'll get to that.

Create value through economy. In metropolitan Toronto the tourism industry is today the second largest industry in Toronto in terms of number of people employed and in terms of GNP output. It's second only to the financial services industry of banking--big dollars. Lots of Americans come and spend dollars to buy Canadian dollars: at $.85 a piece, it's really a good deal. It's a good for the Canadian economy. It employs a huge sector of the population.

The last step in the process is the party political system or the government system or the management system in a private sector company that must manage this entire four step process to make sure that it starts all over again and that the benefits are returned to the people. That's what politicians are there to do, to govern the system and presently the system is not being governed, either nationally or internationally. That's why the world is in a mess. The final step in the process is not being completed. We essentially have incompetence in political office and in governmental affairs and in most corporate leadership offices.

This four step process interacts with the inside of every organization: The organization, itself, with the staff, the products, the clients, the service, the consumers, share holders, stake holders, and whatever you want to call them. You create a total systems approach to what is going on in the external environment, and how does that relate to internal environment of an organization?

Social, technological, economic and political. Nesbitt says we have high tech, high touch. That concept actually comes from (here's another dig) Marshal McCluen. Marshal McCluen, who coined the phrase of Global Village, wrote in 1964 in a book, *Understanding Media*, that the more technology there is that comes into our world, the more human beings need to compensate through increased levels of human interaction. So, for example, if you stop going to a bank teller and instead go to a bank machine, you will in some other aspect of your life compensate for that loss of human interaction. However, with banks these days I'm not sure how human it is. Tellers don't smile much any more, and you probably get as much human interaction from a machine. But that's high touch. We're certainly in a high tech world.

I want to add two other concepts, high value and high virtue. High value. Where does the wealth come from? Where does the increased productivity come from? How do you balance the budget? Somebody asked me when I was in the bank, "What does the word money mean"? I could not answer the question: I have not yet answered the question.

Some people are getting closer to it. There's a Nobel Prize waiting for anybody who comes up with a new theory of economics based on information. Where wealth comes from is only one place, that one place is increased efficiency and productivity. Real increases in wealth only come from improved efficiency and productivity. Where do increases of efficiency and productivity come from? They come from knowledge, expertise, information: they come from one central place, up here, ideas. This is where money comes from, from right here, between our ears. Without that we would all still be slaving on the farms that the settlers first settled here. Only 3% slave on farms in North America instead of 80%. We produce abundantly more output with that system because of applied science and technology, hardware and software, expertise and knowledge to increase the productivity of the system.

High virtue. Believe it or not, the nineties are going to be the high virtue decade. The greed driven decade of the eighties is coming to a close, we've had enough. There's going to be an accounting to be paid,and there's going to be a lot of ethics focus in the nineties. Synthesize all of this and we'll be successful.

Social motivation, then, hierarchy of needs. Eighty percent of the planet is still at the bottom of the ladder. Feed itself, cloth itself, provide itself with all the basics. Everybody in this room is well up the ladder with different needs and aspirations. As you go up the ladder, your values change. If you live in a peasant village in China, even though you're well fed these days, you're concerned about your daily food. No matter what happens in T'ien an Men Square, the peasants in the villages in China are watering, weeding, harvesting, and feeding themselves. It's been like that for centuries as emperors come and go, but, not for us. Our values around food and daily living are totally different. We want to go to a nice restaurant, have a table cloth, nice service, and a sprig of parsley on the plate, and all this kind of stuff. Values change as you go up the ladder. Values are what drive the economy, technological change, and innovation in a society as it [sic] regenerates itself with each new generation of people.

It's a cliche, but we have an aging society, a very dramatically aging society, which is going to have huge effects on everything that you are doing in your sector of the economy. You can, in the United States, this is the top of the list, number people aged sixty and over for every one thousand workers. By the year 2020, which you might think is a long way a way, in the United States it will be 40 percent, 405 people out of every thousand will be sixty-plus. Now, these statistics have to be put in a different concept. You know, we're presently struggling with what is retirement and whether people should retire. We're also seeing extensions of life spans. By 2020 there's going to be millions of Americans over 100 years old. I don't think they're going to be retired for 40 years, neither should they be. We have to redefine what work and education and leisure are all about in the post industrial society. Redefine what life itself is all about, and what contribution to social welfare really is, other than a job. This will also change your employment pool, labor pool: it will change your client base and it will change peoples' habits around leisure, tourism, and recreation.

Health, nourishment, and so on are very important--fitness and well-being in our society. The baby boomers of ten years ago are not going to be jogging around the block when they're 100 years old. They may still be playing golf. In between now and then, if you want to get rich in the nineties, open a golf course. There's a lot of people here, a fat number anyway, from the Forest Service. I keep telling the Forest Service, open golf courses. They say it costs millions of dollars to open a golf course, and you need Jack Nicholas to design it and all the rest of it. Well, if the people in the Forest Service can't design a golf course, then I don't think they're much good at anything and if you'd do it, as I know you can do it, it'll be successful. There's going to be a lot of golfers including Japanese golfers. It's almost as cheap to get on an airplane and fly across from Tokyo and play golf here as it is to play golf in Tokyo. In fact, many Japanese entrepreneurs are opening golf courses here precisely for that reason.

We also have a changing market in America. In fact, America is changing it's name. America is going to become Americana. Canada is the 51st state. It'll probably be four or five states, British Columbia, Alberta, Saskatchewan, and Manitoba another state, Ontario will be a third, Quebec will be another one, and the Atlantic Provinces will be another. They're economically integrating with America, they have been for decades, but now the free trade agreement between the two countries makes it the natural evolution of things. There will be a free trade agreement with Mexico signed within two or three years--the deadline they're putting on it is 1993. That creates a common market in North America that I call Americana. This common market will be bigger than Europe or than Western Europe will ever be. EEC 92 is a 4.8 trillion dollar market. Americana today is a 6.2 trillion dollar market. Sorry to beat her. By the year 2000 Japan's economy will be as large as the American economy. So, don't ask me about Europe. I ain't going back there. Go West, young person, and it's still go West.

Now, Mexico is changing, there's a shift from the Atlantic to the Pacific and from the North to the South, as there is in the entire world. Eighty percent of our immigrants used to come across the Atlantic. That changed in about 1985 and they became the minority. Today, 80% of America's immigrants do not come across the Atlantic. The makeup of our society is changing rather dramatically. It was good that we refurbished the Statue of Liberty. We should have either moved it to Los Angeles or built another one. That is the nature of the change that is going on.

The demographics of our society are also changing rather dramatically. In fact some whites in this country are concerned that they're going to become the minority which will, in fact, be the case. You read about the issue in Quebec, about language rights, and the French speaking people in Quebec are afraid of being swamped by North American English-speaking culture. What they don't seem to understand is a lot of white English-speaking Americans are afraid of being swamped by Hispanic-speaking culture and are changing their state constitutions to make English the only language. Interesting isn't it?

One of the best points of John Nesbitt's new book *Mega Trends 2000*, is when he talks about nationalism. What we're really seeing in the global village with the enclosure of global society is not really a request for sovereign nationalism, or sovereignty per se, it is cultural nationalism that people are concerned about. It's a cultural backlash against a global explosion; we're all afraid of being swamped by an homogenous global glob of humanity, which is not going to happen. J.R. notwithstanding, American television culture notwithstanding. North to south is not just a migration of the population from the Great Lakes and the Northeast down to the sunbelt and the West coast.

There's also a shifting in manufacturing happening. Why? Cheap labor in Mexico, that's why. Horrible isn't it? Exploiting more jobs. No, it's fantastic, and you know why? They're 90 million people in Mexico and we're going to build up their standard of living. They're going to buy all kinds of wonderful things from us. Illegal immigration will stop, and all these kinds of problems will be solved. We will develop that economy from a GNP per capita of $2,000 each up to our level of $20,000 each--probably within about fifteen years. We need their labor because you and I are not prepared to do those jobs. Let's be frank about it. You know why we pay such high prices for North American cars? Because you and I were not prepared to stand on a production line dealing with cars. We bid up the wage rates of the blue-collar workers who work. Then when we got tired of that, and the manufacturers couldn't compete with the foreign imports, they put robots in there. This is the way the world, it has always been and the way it will always be. We'll substitute technology or other sources of cheaper human labor either because it gets to expensive or because our values have changed, and we're not prepared to do that kind of work. That will continue to evolve in Americana.

I heard, oddly, discussion today at the conference session about women in society. A huge gap and women in society are going to change recreation in society like you haven't seen. Most sports and recreation, like everything else in our lives, are white, male inventions. They're going to change. The leading example is the automobile industry. You think they're all right up to snuff in terms of being close to the customer, close to what the market place wants, and responding. How many decades have women been driving cars? How many car manufacturers have vanity mirrors behind the sun visor on the driver's side? They're getting there. The recent model cars are getting there. I would like a mirror on that side of the car. These car manufacturers do not understand what the customer wants. Nissan now has a car which has a three person design team, and those three people are all women. It's a car aimed at women. You're going to have to look at what's happening; these women are moving into professions. A majority of graduates out of MBA programs today in the United States are women. They get higher marks than men. The market place is changing; the labor pool is changing; the management ranks of people are changing. Automobile show rooms are going to have to be staffed with 50% female staff, and not just white ones either. Last year 47% of all the new cars bought or leased in the United States were bought and leased by women. It's the same in any product, any service you're offering.

Equity is everything these days. It's what I call transgender. Skills have to be developed. We're talking about the skills of a new employee. Talk to any industrial psychologist, it's an old expression and of course industrial age, but talk to any industrial psychologist and s/he'll tell you the biggest stress factor today in any organization once it's discovered because it's not talked about is the stress between male and female relationships in the work force and in dealing with clients. It's causing negative influences--negative energy in corporations and in government departments. Why? Because we have not developed the skills of relating to each other. We must develop those skills, and we will get win-win situations for everybody. We will learn from each other, yet we will not become androgenous, thank God. We will learn about each other's skills with the complimentaries of our skills that transcend gender and become, what I call, super sexual. The publisher wanted that in there to help sell the book. In fact, he wants a book on that title. I said I'm not interested in that, thank you very much. This is the future we will be moving more and more into the nineties.

How do we twin the unique capabilities in male-female brains which at the present point and time, whether it's conditioned or biological, we do not know. Presently, there exists distinct differences which are complimentary which we must learn from each other; we must develop to enhance the productivity in the high touch nature of all our organizations. They'll be better places to work. It goes beyond the basic relationship.

This is a sixtie's couple. You can tell it's an old photograph. The sixtie's generation comes to power in the nineties. Some hippies are now in corporate executive offices. With a sixtie's value set this brings different relationships, different values, different personalities, different ways of thinking. The children in this group also have different mind sets. I have two kids, the eldest of which is 21 next month. She was born after Neal Armstrong stepped on the Moon, born into the space age, born into the age of test tube babies, and all the rest of it: an entirely different mind set about values. They don't have all this baggage we bring with us from the industrial era. We'll approach things in different ways; we'll create a different future.

Education is going to have to re-invent itself like every other institution. When practicing re-inventing the world, we must re-invent education which is your business. We have bureaucracies, and resistance to change, and so on, and so forth. It doesn't matter. It must be done. Institutions were created by human imagination; they can be changed by human imagination. We must do it in education, no matter what curriculum, or what faculty you're in.

Leisure. This is a leisure palace, it's a hotel, but it's a leisure palace. It's part of the leisure industry. Hotels are part of the tourism business, big dollars, lots of money; they have to provide comforts of home. So do you, even in the campground.

Transcultural skills were mentioned a little bit today, but in the global village in a multicultural society we must learn much more about how to relate to each other. The

global village is the reality, it goes beyond language. It's not a matter of learning language. Yes, brochures and things have to be in different languages, but we don't necessarily have to learn the language. I do a lot of business in China. I speak hardly any Chinese. It helps now that I have a Chinese wife, but nevertheless I speak hardly any Chinese. I speak a few essential words and phrases in Chinese. Some humorous things, some new important answers concerning the culture which are important, and I can understand some of the things and some of the cultural backgrounds that they're coming from. I'm trying to steepen myself in what Chinese values and culture are all about, beyond what my wife can tell me. She is not a North American Chinese, by the way. I was Shanghaied in Shanghai. On my first trip to China in 1984 I was giving a lecture there, as often happens in life, she wasn't supposed to be there at that lecture. Her boss was supposed to be there. He was busy attending a party meeting, so sent her along. She actually asked me a question about education. She said, "I'm researching higher education. Can you send me some information about it from North America?" I lied and said yes, I could, because all I wanted was her address, and it went on from there. I don't know who Shanghaied who actually. But, anyway she's a Chinese born, bred, raised, in Shanghai until two and a half years ago. Even she is now a westerner--more western than she was--does not understand the Chinese culture in terms of the depth I want to get into. What makes the Chinese people tick? What is T'ien An Men Square really all about? There's a lot of conundrums in that society. It's very difficult, but we must make an attempt to try to understand them if we're going to be successful in servicing them when they come here, and also to aid in our interactions with them.

Today art and culture were mentioned and their influence. John Nesbitt forecasted in the nineties, [sic] arts and culture will surpass professional sports. In terms of revenue generated at the turn style, he's correct, in fact, he's almost there. There's a phenomenal movement in arts, and culture, and theater, orchestras, museums, and so on. It's unbelievable. It will totally change the market place in terms of what recreation and leisure is all about. A lot of it is indoors, of course, and maybe you're not interested as outdoors people, but it's there as a tremendous phenomenon.

We will see a peak in the huge salaries paid to professional athletes and we will see modest increases in the lousy salaries paid to people in the art communities because the demand is surging dramatically. Why? We're a more educated society and we're getting bored with baseball and football games which are engineered as TV productions. We're becoming much less of a lunch pale society. We want more variety and the global village says we want to know more about other cultures.

Also mentioned today was spirituality which has something to do with it. Whether it's arts and culture; whether it's orchestra, opera, or play; whether it's professional football, baseball; whether it's camping or hiking, or rock climbing, it has to be high touch, high tech because that is the nature of the game. I am conditioned as a consumer in a high tech society to expect to be served in a high tech way. If some key element of your operation, whether it's the ticket, the registration, whatever it is, is not done in a high tech way, then I

think you're backwards. I think you're behind the times. Therefore the product you're delivering to me must also by association, right or wrong, be behind the times. Also, internally because the need to improve efficiency and productivity, you must be high tech. It's both an internal phenomenal and external phenomenal in terms of how the product is delivered to the client. It must be much more high tech and high touch.

The customer. Your customer in every business comes first. It's what the IBMs of the world are grappling with: to try to become market driven companies. The customer has to come first, nothing else matters, because without a customer you don't eat. If a customer doesn't come back you're finished. These are the Japanese views of the customer. The word for customer in Japan means honored guest. All of your clients in outdoor recreation are honored guests. They must come first. How are they to be served? How do you design that service and product delivery to make it effective? That scale of treating people as honored guests is part of employee training and development. It's part of the skills which have to be provided in tomorrow's employees. People look for good feeling, look for good treatment, good product, good service. If it's not there, they're dissatisfied and they'll look elsewhere for that product and service.

Over all implications of all of these trends, you must see the world as it is, not as you would wish to see it. You must see the world through your customers' purposes and your employee purposes, not your purposes. The way to 100% customer satisfaction, the way to being totally successful at what you're doing, is to meet customer expectations no matter what it takes.

Technological. Here's how forecasters can get wrong. I'm sure you've seen it all before. Science is constantly proving itself wrong. This guy (from the patent office) just didn't even say anything. He recommended his job be done away with and the office closed down. That's how bad it was. So here's the experts seeing patent applications coming in, maybe not every minute throughout the day, but weekly anyway, and he thinks everything has been invented. Everything has not been invented. Science is constantly proving itself wrong, and technological innovation keeps coming along in new bursts, new waves of technology that create revolutions. Alvin Toppler in his book, *The Third Wave*, had the concept of the Third Wave Society. First wave was agricultural revolution, second wave was industrial revolution, third wave is whatever comes next. Futurists have never quite figured out what to really call that.

Service economy, information economy, knowledge society, and so on--this is my attempt at three upmanship on Toppler. What I call a Sixth Wave Economy, high technology, leisure technology is building, then there will be aerospace technology.

What is a leisure technology? Leisure technology is a jumbo jet, it's a hotel, and so on.

The biggest revolution that we're faced with in the immediate future is the major component of the high tech revolution of computer technology. It's the most fundamental and far reaching revolution in human history. Tremendous changes are being reaped world-wide by this change. Automation changed not just the factory, but farming, machines, combines, and so on. Computers are used in every sector of the economy. You cannot today run a modern farm, factory, sawmill, hotel, airline, whatever it might be without information technology. It's only just begun. Everyone will get plugged into an electronic system. Computers will become taken for granted--just as your telephone is today, they will become as common-place and this is happening extremely rapidly. Personal computers are coming off production lines one every half second while we speak because the world economy works 24 hours a day.

Electronic cottage. Toppler, talked about. It's difficult to see how all of this shakes out, and how you can put different numbers on it in terms of its impact. Personal computers, if the price curve continues to come down and the capability continues to go up, in-home usage is going to be phenomenal by the end of the 1990s--entertainment, bookings, and so on, messaging systems, going to the library, going to school. Today it's talked how education is going to have to change the way its product is delivered. This is the old way of doing lecturing. There's still a place for this way of doing it, but some of it can be done electronically. The challenge is to figure out which parts, which parts of which courses, can be delivered electronically. In the real world today, you can take a plastic card, go up to a banking machine in downtown Hong Kong, take money out of your bank account in downtown Hong Kong, this town, this state, any state, and you can do it instantly 24 hours a day and you do it across the International Date Line. It's already tomorrow in the Near West. You can't cheat the system because if it's already tomorrow the system back dates all of the entries. That's the real time world that people expect to be able to operate in. If I can go to the bank at 3:00 in the morning, I want to be able to go to school at 3:00 in the morning--it's a 24 hour world. Now, I can do that if I can submit my report, or go into libraries, or go into data banks through my telephone modem, but I can't if my institution insists that I can't. In some places, still in education, in the regular school system--we're debating if our kids should be allowed to use calculators. It's archaic. We all have at least half a dozen pocket calculators. With every magazine you subscribe to you get a new pocket calculator. Those pocket calculators have tremendous computing power compared with the big vacuum tube computers that IBM first manufactured in the forties. In fact, Tom Watson, the modern day founder of IBM, in 1948 had this big computer that probably filled about a third of this room (auditorium) that cost over a million dollars back then, in those dollars. He was asked, "What do you think is the world market for this machine, Mr. Watson?" He really didn't know, but he figured the total world market was five. It's on record. Why? Who can afford it; who can apply it; who can use it? The computing power in that machine is in every pocket calculator you've got thrown in a drawer at home. It's phenomenal. We don't know yet what the limits of this technology are.

The corporate world will be run through increasing networks and it increasingly is, in fact. Do you have a Benetton store in town? Some of you may have heard of it. Do you

have the Limited? The Gap? It hasn't gotten here yet? Walmart, well, Walmart is in Colorado, too. Walmart is one of them. Let me tell you about Benetton. Benetton, they sell sweaters and other kinds of modern day fashions, slacks, and so on, but particularly sweaters, that's how they started. Benetton is an Italian company. They had 6,000 stores world-wide, it's probably 6,200 now. It's growing very, very rapidly. Benetton knows that back in their Rome head office everyday--which is an obsolete expression, because this is a 24 hour world--but everyday, they know how many sweaters are sold, of what color, what size, in which store, on which street corner, which shopping mall, which city, which state, which country on this planet. Everyday they know that information. Based on that information, they say what to discontinue, what to modify, what to bring out next, what's selling, and what to re-order. Orders are sent daily to factories in the Far East and under-developed countries, and new merchandise is on the shelves in those 6,000 stores within seven business days. What business is that company in? That company is in the business of selling clothing via information. They, in fact, do not manufacture anything. They subcontract the manufacturing to manufacturers. They're using information gathered at the point of sale, coupled with some market research information which they also do. Point of sale is real time market research information that says who is buying what where. This is what's happening, and they make decisions based on that; send new designs by computer, satellite, and FAX to the rest of the world. We have a world which is increasingly encircled by satellites. The first one, Sputnik, went up in 1957. Now there are more and more of them. These satellites are the tom-tom drums of the global village. They're a way in which people do business. They're a way in which we communicate. They're the way in which regimes are toppled. They're the way in which democracy works. The President doesn't get on a train and go across the United States, he gets on a satellite and gets on an up-link. What politicians are finding out is that communications and politics are two sides of the same coin.

Business is finding out that information and money are the product they're selling and are two sides of the same coin. It's the information content of the product which is most important and which gives the competitive edge, whether it's in the product itself or in the delivery of that product.

American Airlines. They have an airline reservation system called SABOR. American Airlines makes 70% of it's profit from it's airline reservation system, not from flying airplanes. It's the best airline in North America. That's where their profits come from, and they're not satisfied with that information system. The reason they make a lot of money on that system is they rent it out to different airlines who are not so smart. It cost a lot of money to develop these systems, so they lease that system out to the other airlines and charge fees. They're not satisfied that this system is good enough, so during the nineties they're going to re-develop and re-invent this system to make it into what they call an Electronic Global Travel Agency. That totally transforms the travel business. Those travel agents which still stay in business will not have a dumb terminal on their desks. They'll have a smart terminal provided by American Airlines. They will be worldwide. Information

is very important in doing any kind of business, making any kind of decision, networking through the information system. You have to see the real time needs of global customers.

I don't know if the word glocal came up in any of the other slides, but it's not a typographical error. It's a new word, Japanese word. The Japanese now say the customer is a glocal customer. The global company must reach the local customer, and they now call this glocalization. It's the new buzz word in corporate Japan. How to tailor your services and products to the local customer whether they're in the next town, next state, or the next country. Those markets are different. Even similar niches are different in different markets if you are to do it high-tech and to make your products as information intensive as possible.

What was pleasurable today about going down to the national recreation area was the information that came along with the trip--not just the experience and the memories that will carry from the visual, it was the information that came along with the trip from an articulate guide.

I was once taken up into a sawmill in northern Oregon, it totally blew my mind, this sawmill. People would pay money to come in here. This is a tourist attraction, not just a sawmill. That sawmill today is having guided tours at $5.00 a head, a nice little profit center on the side during the tourist season. I did the same up in Saskatchewan, Alberta actually. If you've never driven in Canada, there's a lot of grain elevators, big wooden buildings that stand up on the horizon to store grain in. I was taken into one of those one day--fabulous place inside. You wouldn't believe all these ways in which they store grain in all these little bins in this elevator, all constructed out of lumber, but now becoming more high tech. I said to the guy, "Do you ever get any tourists here?" "Yea, we have school trips come out and the occasional American license plate who stop by to make sure this is not a space ship that has landed up here." They get maybe five, six people a day. This local community, Champion in Southern Alberta, has a lot of grain elevators, some of which are going out of business. They were looking for ways to diversify their economy out of grain because all they do there is grow grain. So, I said turn a grain elevator into a tourist attraction, put flood lights on it, put a sign on the highway, and see what happens; shouldn't cost you hardly anything. "Ok, we'll do it." Within a year, that grain elevator was generating $100,000 in tourist income from admission receipts of $5.00 apiece. People drive out of Calgary, two hours to visit this grain elevator. City slickers have never seen anything like it. Experience is what people are interested in, as you well know. Experience, but also having the thing explained. How's all this work? The farmer comes in and dumps his grain and so on and so forth. It's an experience.

I said to the Forest Service one day, look, you're accused of chopping down trees. Admit it. You do license people to chop down trees, no sense in denying it; that's part of your job. Let people come in and see that. Open up the doors and windows. This is what Deng Xiaoping started in China 10 years ago to reform the system. We have to open up the doors and windows, and if a few papers get blown around, so be it. We've got to get rid of the cobwebs. Open up the system and bring in the people and show the trees being

harvested, yes, but also show them the entire chain of the story. Educate them about what forest planning and management and harvesting trees and replanting trees is all about. Then, they go back into their community, having paid money to be educated, as your ambassadors and not your critics. Sooner or later, you'll start doing that. It's the way to turn it around. What is the Forest Service? The Forest Service are the leaders of the environmental movement in the United States, they just don't recognize it yet. The only way that you can set the agenda, rather than let the environmentalist set the agenda, is to set the agenda. You are the environmentalist; that's why the Forest Service was set up to preserve that resource in an environmentally sound way. Put on the hat of the environmentalist and manage this conflict between the two sides.

Economic change. Shifts in the world economy and world finance. I come from Britain and the poor British people still think that they're the center of the world, especially in London. The world has moved on. The center of gravity of the world economy has moved from the Atlantic to the Pacific and it ain't going back. Our advantage here in North America is that we're in the middle of both. You know, those from down East don't realize this yet. New York still thinks it's the center of the world. It is not. The center of world finance is Tokyo. The bubble is bursting in Tokyo, and nobody seems to realize it. The 1929 stock market crash has been going on for eight months. Tokyo's stock market is down again today. It's lost 46% of value since January, and nobody seems to know it. It will emerge from the debacle as the number one financial sector. Real concepts about number one, number two and number three are really a bit obsolete in the new world. London is still an important center of finance, but not the largest by any means. The Tokyo stock exchange is five times bigger than the London exchange which used to be the largest in the world. We will have many among equals: Japan, North America, Amexicana, Japan with Southeast Asian countries, Europe, Western Europe is actually linking up with Eastern Europe, and so on into a totally different world. It's important to recognize that. There is a the fundamental shift in world affairs, a shift to manufacturing.

We are not losing jobs to the third world. We want to get rid of work. People say they subscribe to the work ethic. They're lying through their teeth. We're all lazy. We've succeeded magnificently at putting ourselves out of work. Every technology we create is to make life easier for ourselves. That's the purpose of our inventions. We're physically lazy and intellectually apart from rock climbers. Sorry Maurice. I'm deliberately trying to provoke you for the question period.

What is happening is the evolution of a leisure ethic. Now, you cannot enjoy a leisure ethic unless you still have a work ethic. You have to generate wealth in order to be able to spend that wealth on leisure. As we also heard today, the leisure economy is becoming so big it's starting to generate it's own wealth. There's a lot of interesting changes going on there. Everybody seems to think things just go on and expect the same trends will continue and nothing inadvertent will happen. It doesn't happen that way. Things grow according to cycles and spirals--anybody who works in anything to do with nature knows that. This is hopefully not too far out but if all these cycles affect nature, they affect us too.

If they affect us too, they affect the economy because we're the ones that drive the economy. Ask any farmer and he'll tell you.

There are cycles that affect us in ways we do not understand. Unfortunately, human beings behave irrationally when they think they're behaving rationally and expect things to continue and expect to live beyond their means. We have to pay the price, this is the price. I'm a firm believer in the long wave cycle of economic affairs. This is a simplified chart of the one which is in the book. In fact the Long Wave Cycle is a compounding of all the business cycles going on. If business cycles are occurring in three years, five years, eleven years (and they are), then they're all occurring at the same time. Therefore, there's a compound cycle which coupled with the Long Fifty Odd Year Cycle (that was developed by a Soviet economist, Nikolai Kondratieff) gives you the dark blue line which waves around their graphs. We're coming to the end of that cycle. I've been forecasting ever since 1982 that this is going to happen. It's almost on schedule; it's uncanny in terms of how this is working.

There's going to be a very severe recession. I call it a minidepression. The reason I call it a minidepression is to be sensational, but also because the recession that occurred in the early 1980s was called the Great Recession by economists because it was the worst recession we'd had since the Dirty Thirties. This happened in Europe, North America, and to a certain degree in Japan.

What I mean by a mini-depression is something a little bit worse and a little bit longer than that. We'll be out of it by 1993. I think George will pay the price. Whoever is in office during this time period, politically gets booted out because they're blamed for the previous incompetency. Mr. Reagan was a wonderful president, but his economic policies have gotten us into a lot of trouble. We're going to have to pay the piper. It's starting to happen in your budgets, those of you who are attached to government agencies. The piper has to be paid. We have created false wealth with Reaganomics based on borrowed money, money borrowed against the future which the new economy is not yet strong enough to pick up and carry forward.

The good news is we've been modernizing a lot of the old sectors of the economy; we've also bailed out a lot of dead beat companies which we shouldn't have done. We're still bailing out savings and loans which we shouldn't be doing. Nevertheless a lot of leading edge organizations have revitalized themselves, gone high tech, and have become very productive. We've been putting in place a lot of Silicon Valleys, literally, during the last two decades. Silicon Valleys of prosperity, but they're not strong enough to pick up this new economy, the new high tech sectors, but they will. We will have a super boom of unprecedented proportions, not just for our own economy but on a worldwide scale because the technological innovations which are taking place, particularly in information and computer technology, are spreading worldwide.

The biggest manufacturer today of personal computers is still IBM. The second largest manufacturer is a company you have never heard of. It's called Samson Electronics, it's a South Korean company. South Korea is the new Japan which America has not woken up tc yet. Samson is the 17th largest corporation in the world. It makes 80% of all the microwave ovens sold in this country today. It's now the second largest producer in the world of PCs and it's now getting into the chip business. China stands to do the same thing, this is a world-wide thing. India is developing a huge computer industry. Brazil is developing a computer industry: it wants to be self sufficient in computing technology--of course, making computers at a much lower cost than they would be able to be made in this country. Therefore, they can afford them in their own countries--not for the population at large, but for the productive sector of the economy in academia, in science, in technology, and in business.

So we're going to have a lot of strong growth. What does this imply if I'm right about this? We're already in this recession. Depending upon it's severity, it means that budgets are going to be cut. The important thing is to try and look beyond it in terms of where do we go from here, what is the new economy promise, what does the new economy bringing? If we slash too much meat from the bone again, then we impair our ability to take advantage of the takeoff when it really comes. We're going to try to have bifocal sets of lenses in terms of looking at budgets, short-term budgets and long-term budgets. The long-term budgets are research and development and developing new curricula; things like this, should not be cut. They're required to get us into the new future.

The Sixth Wave Economy I mentioned. High tech is the Fourth Wave sector which will become dominant over the next long wave cycle lasting fifty years.

Leisure and tourism which I call the Fifth Wave sector of the economy, is the fastest growing sector of the economy today in terms of employment in North America. It will be a huge industry by the year 2000. During a recession some parts of leisure tourism economy will be cut back. People change their spending habits. In your business (outdoor recreation) I don't know what happens, you're the experts. What happened in 1982, maybe it's calendar cyclical? People started taking fewer long trip vacations and stayed closer to home to do more local things. The rich of course will always have money and will always travel and do what ever--they're not effected. It's the middle class that restructures its spending habits and does things in different ways. So, different elements of your sector will be affected differently, but then we'll continue to grow again very, very strongly as we come out of the recession two or three years down the road. The largest sector, and the fastest growing, is the leisure and tourism sector in terms of employment in the United States and Canada.

Overall implications. We have to get back to some economic fundamentals, Economics 101. Where does money come from? Where does real value added come from? Let's get back to realistic assessments and evaluations of what things are all about. Maybe only a true capitalist understands this, but when Milton made all the money that he made, David Rockefeller made the very pointed statement, "How can it be, that this person makes

500 million dollars in one year? One calendar year and that amount of money is one third of my entire net worth; most of which I inherited from my father and grandfather. How can it be that one person can make so much money in one year?" Because we've lost all contact with reality in terms of where fundamental real wealth is coming from, we have to get back to those realities. Baseball players will be earning less; to keep sales at baseball games, tickets will be cheaper. The whole value system will come back into some kind of stability of supply and demand. The debt will be paid off. Dead beat companies will go to the wall; the good ones will survive. We have to prune out the system and allow the new shoots of growth to come forward. That's what has to happen in all of our organizations. We have to ask ourselves, where, fundamentally, are we adding value in the products and services that we're trying to deliver. How can we increase that value; through information content, which will be one of the major ways; or through technological improvement of administration or service delivery; more high touch employees? Whatever it is, it's going to differentiate us and make us better at meeting the longer-term needs of our customers.

Politically, of course, there's a heck of a lot going on in the world--most of which we don't have time to get into. These are some of the major things which will happen in the nineties.

Changes in our own political structure in terms of political reform. Political reform will come throughout the political system. The two mainstream parties in this country have lost touch with reality. They're out of touch with the constituent requirements. The cases which have happened of people being voted out of office are not unusual situations. In the province of Ontario, which is where I'm from in Canada, which generates almost 50% of the Canadian GNP, we have three parties: the Conservative Party, which is like the Republican party; a Liberal Party, which is essentially like the Democratic Party; and the new Democratic Party which is a little bit to the left. You are expected to win with a majority. But the Socialist Party has a majority in capitalist Ontario, 50% of Canada. You have socialist government to the North, not that Canada is embracing Socialism. That party is as surprised as any to be elected. There was a huge protest vote against the other two parties for perceived incompetence in being able to address the issues and because of unethical behavior and corruption that have characterized politics over the last several years. The corruption in the business world, the false values in the business world, looking for a higher dollar, junk bonds, all of these speculative activities trying to squeeze more out of the system than the system is able to deliver swelled over into the trough of politics which became even more corrupt in Washington, in Ottowa, Toronto, Tokyo, and in many cities of the world. People are sick and tired of it, and they [sic] are going to be voted out of office. There are going to be a lot of electoral changes going on in our society. If you have a new mandate, I would encourage you to run in the next election; you will probably win. This whole democracy will ultimately become electronic, by the way, through electronic voting, but we are about a decade away from that happening.

There is a very interesting experiment. Anybody familiar with it? In the Salt Lake City mid-term elections, I forget which year, '86, '88, they did an interesting survey. They

plugged into those computers all of the issues and where all the candidates in all the districts in Salt Lake stood on those issues. Two thousand people participated. They were asked when they were in the polls to write down who they had voted for (most people don't even remember who they voted for). They wrote down who they voted for, came back, and said, "OK, this is where all these candidates stood on these issues. If you had known this, would you have voted the same?" Only 15% said yes. We do not have an educated, intelligent electorate because they are swamped with all the campaign advertising. They do not really know where the candidates stand. With a simple computer program which they have developed for the university there and which cost about $300.00 (a piece of software on a floppy disk), they were able to capture this information, immediately give a printout to the 2000 people who, if it had been done before the election, would have voted differently. It is possible to create an intelligent electorate and to make the process better.

Ethics will be the big thing in the nineties. Virtue. What is good moral behavior all about? Coming back again to basic values. Not a switch to the right. Just good common sense, honest and decent behavior. People have had enough of indecent behavior.

Green nineties. The sixties generation, coming to full power in the nineties, will create a worldwide movement. Many people have been caught by surprise; many in the corporate sector have been totally caught by surprise. It should not have been a surprise. I mean it has been building over a long period of time, not just from the sixties: Roosevelt was the environmentalist, but the sixties generation in particular. The World Environmental Conference in Stockholm in 1972, the creation of UNEF after that, United Nations Environment Program after that and building and building becomes a big global issue as well as a local issue reinforced by various events with such as Chernoble or whatever else creates a global conscience around the environment. Even during a recession, the money will be found to keep cleaning up the environment. In fact, corporations are finding it is in their interests to clean up; they are now making money. Three M (3M) is making about 500 million dollars a year on recycling garbage, its own waste, that they have never done before, saving half a billion dollars a year.

See the world through what is really going on in the values and expectations of people. Try to develop a leadership value which is high virtue. If the leaders can have high virtue, the employees can have high virtue because they want to work for high virtue companies and organizations and high virtue bosses who inspire people. This is the synergy that is required to buy a leadership, more than anything else, to bring all these things together; to see the world as it really is, as it's evolving; to see the world through the clients eyes, not yours. We are here to serve others in everything we do. If we do not do that, we will fail.

How is the organization structured? Very important. Look at the service and the products: what is the difference; what is the uniqueness that makes me go to this fast food outlet, as opposed to that fast food outlet? What is it that makes me go to this college, as opposed to that college? Why do they make me take this set of courses, as opposed to that

set of courses? In an electronic age I might be able to telecommunicate to any college I want and pick and choose my courses. Electronic delivery of education is going to make education highly competitive in the nineties. You are going to have to compete for students. That will be new. Integrate the four step process with high touch, high tech, high value, high virtue. Leadership calls upon you to identify yourself and your organization with the forces of change and to work with the forces of change and to go with the flow; to integrate them together, the social, technological, economic and, political and to do it in a high tech, high virtue, high touch, high value way. Do that, and I guarantee you will be successful in the nineties in whatever endeavor you have embarked upon.

You are in league with the forces in the external environment. We are organisms. We have to prosper in that environment.

Some mention was made today about bureaucracies. Bureaucracies are top down who don't care much about customers. The whole focus of bureaucracies is on pleasing top management. You have to turn the organization structure upside-down and focus on the customer. The customer must come first. The employees must be equipped as human resources, which they are, not workers, to deliver high touch, high tech, high value, high virtue products and services in a high touch, high tech, high value, high virtue way to meet the needs and aspirations of those customers. Satisfy the customer, and top management will be very, very happy.

This requires leadership, but if necessary you do it from below. I worked in a bank which is a huge bureaucracy employing 30,000 people. The chairman of the board was a crisis manager who did not believe in any form of planning whatsoever. There was a new priority every Monday morning. I was very fortunate to work for the deputy chairman of that bank in charge of domestic banking. We did all kinds of wonderful subterranean things. We changed the names of positions, changed the names of procedures, changed the names of position descriptions, changed numbers that went to the boss. In fact, we lied, which was not very ethical. We created organizational change and made it very successful. The board of directors started to notice and wondered what had happened. They didn't expect this of the chairman of the board. They made their enquiries and within two weeks the chairman of the board was fired. For the first time ever in a Canadian bank (it was the second time, actually, in that bank), the chairman of the board had been fired for inadequate leadership, for not turning the organization structure upside-down, not focusing on the client.

Who is the major client of a college? The student. The student must come first. The major client of a hospital or a health care system is the patient, not the doctors. By the way, you keep hearing in the United States that we have a wonderful health care system in Canada. Don't necessarily believe it. We have revolving door medicine. All of our Western systems of medicine are sickness systems, not wellness systems. The system is set up to reward sickness not wellness. In the Canadian system the more times the patient goes to the doctor the richer the doctor becomes--he gets so much per visit. Where is the incentive to make the patient well? There is none. The reward system in many of our

institutions is inappropriate. Where does the responsibility and accountability count? In the end the customer is the final arbitrator. They will vote with their dollars or whatever they have to vote with in terms of what they are getting in product and service. Integrate all of that, make it work, and you will be successful.

May the G Forces be with you.